



HOUSE OF REPRESENTATIVES

HB 2133

TPT; exemption; aerial applicators
Prime Sponsor: Representative Shope, LD 8

DP Committee on Rural and Economic Development

DP Caucus and COW

X Transmitted to the Governor

OVERVIEW

HB 2133 exempts the sale of agricultural aircrafts from transaction privilege tax (TPT) and use tax.

PROVISIONS

Agricultural Aircraft Exemption

1. Exempts the sale of agricultural aircrafts from TPT and use tax.
2. Defines *agricultural aircraft* as an aircraft that is built for agricultural use for the aerial application of pesticides or fertilizer or for aerial seeding.
3. Applies retroactively to April 18, 1985.

Department of Revenue (DOR) Refund Procedures

4. Specifies that claims for TPT refunds must be submitted by December 31, 2016.
5. Requires a taxpayer claiming a refund to provide proof of all paid taxes that are eligible for an exemption.
6. Requires DOR to review all timely filed claims, determine the correct amount of each claim and to notify the taxpayer of its determination.
7. Stipulates that DOR may not provide any refunds until the aggregate refund claim amount has been determined.
8. Authorizes DOR, if any taxpayers appeal their refund amount, to notify all other claimants of the nature of any delay and, if possible, estimate the extent of the delay.
9. Caps the aggregate amount of refunds that may be claimed at \$10,000.
 - a. Specifies that if that amount exceeds \$10,000, then DOR is required to reduce each claim proportionately so that the total refund amount equals \$10,000.
10. Stipulates that no interest is compounded on a refund if the refund is paid by June 30, 2017, but interest begins to accrue after that date.
11. Contains a non-severability clause.
12. Makes conforming changes.

ADDITIONAL INFORMATION

TPT is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross

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proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax.

Use tax is assessed on items purchased in other states and brought into Arizona for storage, use or consumption and for which no tax or a tax at a lesser rate has been paid in another state. Use tax is imposed on all transactions in which TPT was not.